

2009 DRAFTING REQUEST

Bill

Received: **09/23/2008**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Lillethun**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Other - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Lillethun, BB0094 -

Topic:

Electronic filing of tax-related documents

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	jkreye 09/24/2008	jdye 09/26/2008	mduchek 09/26/2008	_____	cdurst 09/26/2008		State
	jkreye 11/12/2008	jdye 11/12/2008		_____			
/P2	chanaman 11/19/2008	jdye 11/20/2008	jfrantze 11/12/2008	_____	lparisi 11/12/2008		State
/P3			phenry 11/20/2008	_____	lparisi 11/20/2008		State

FE Sent For:

<END>

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/P2			jfrantze 11/12/2008	11/20 ph	lparisi 11/12/2008		State

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FE Sent For:

102 11/12 jld

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May Contact:

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/P1	jkreye	PI 9/26 jld	MD 9/26	MD 9/26			

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: E-filing Incentives and Mandates
- Tracking Code: BB0094
- SBO team: Tax, Transportation and Budget Development Team
- SBO analyst: Chad Lillethun
 - Phone: 266-7597
 - Email: Chad.Lillethun@wisconsin.gov
- Agency acronym: DOR
- Agency number: 566
- Priority (Low, Medium, High): High

Intent:

Under current law the Department of Revenue has broad authority to mandate e-filing, yet there are areas where statutory authority is lacking. These areas include the filing of rental vehicle fee returns, dry cleaning facility fee returns and wage statements for some larger employers. Additionally, the department has an existing e-file mandate for tax preparers filing individual income tax returns, but there is no statutory provision providing a penalty for noncompliance, or that otherwise provides an incentive to comply, making enforcement difficult.

Amend statutory provisions to: 1) provide the department the authority to mandate e-filing of rental vehicle fee and dry cleaning facility fee returns, 2) reduce the e-file mandate threshold for wage statements and information returns from 250 to 50, and provide a \$10 penalty for noncompliance and 3) provide a \$50 penalty for tax preparers who do not follow the existing mandate to e-file their client's individual income tax returns. (See attached description and drafting instructions.)

**2009-2011 Legislative Proposal
Wisconsin Department of Revenue
IS&E Division**

Date: September 15, 2008

PROPOSAL 1: E-Filing Incentives and Mandates

DESCRIPTION OF CURRENT LAW AND PROBLEM

Although under current law the department has broad authority to mandate e-filing, there are areas where statutory authority is lacking. This includes the filing of rental vehicle fee returns, dry cleaning facility fee returns, and wage statements for some larger employers.

Additionally, although the department has an existing e-file mandate for tax preparers filing individual income tax returns, there is no statutory provision providing a penalty for noncompliance or that otherwise provides an incentive to comply. This makes enforcement of this mandate difficult.

RECOMMENDATION FOR ACTION

Create provisions to:

- provide the authority to mandate e-filing of rental vehicle fee and dry cleaning facility fee returns;
- reduce the e-file mandate threshold for wage statements and information returns from 250 to 50 and provide a \$10 penalty for noncompliance; and
- provide a \$50 penalty for tax preparers who do not follow the existing mandate to e-file their client's individual income tax returns.

ADMINISTRATIVE IMPACT

Electronic filing will bring additional efficiency to the department's tax return processing operations. The penalty provisions in this proposal would be a valuable tool to help the department move businesses and tax preparers toward electronic filing.

FAIRNESS /TAX EQUITY

The penalty provisions in this proposal may increase compliance with e-file mandates, making the tax system more equitable for all taxpayers.

IMPACT ON ECONOMIC DEVELOPMENT

The provisions in this proposal may increase the efficiency of the department by reducing staff time necessary to process paper filed returns.

FISCAL EFFECT

Minimal GPR revenue increase from penalties.

DRAFTING INSTRUCTIONS

See attached instructions.

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

January 1, 2010.

INTERESTED/AFFECTED PARTIES

Persons who file and prepare wage statements and individual income tax, rental vehicle fee, dry cleaning facility fee, and information returns.

DOR CONTACT PERSON

Diane Hardt, Division Administrator
(608) 266-6798

PREPARED BY

Dale Kleven

DRAFTING INSTRUCTIONS

Repeal and recreate sec. 71.80(20) as follows:

(20) ELECTRONIC FILING. If 50 or more wage statements or any one type of information return are required to be filed with the department, such wage statements or information returns shall be filed electronically by means prescribed by the department.

Create sec. 71.83(1)(a)9. as follows:

9. 'Failure to electronically file an individual income tax return.' If any tax return preparer or tax preparation firm required under the department of revenue's rules to file individual income tax returns prepared by that tax return preparer or tax preparation firm ~~electronically~~ *electronically* fails to file one or more of such returns electronically, such tax return preparer or tax preparation firm shall be subject to a penalty of \$50 for each violation. A penalty shall be waived if the tax return preparer or tax preparation firm shows that a violation is due to reasonable cause and not due to willful neglect.

Amend sec. 71.83(1)(a)1m. as follows:

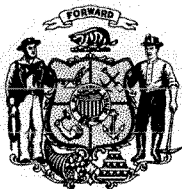
1m. ~~'Failure to file information return~~ Information returns. If a person fails to file a return required under subch. XI by the prescribed due date, including any extension, ~~or files an incorrect or incomplete return, or fails to file a return electronically as required under s. 71.80(20),~~ that person may be subject to a penalty of \$10 for each violation. A penalty shall be waived if the person shows that a violation is due to reasonable cause and not due to willful neglect.

Amend sec. 77.9951(2) as follows:

(2) Sections 77.51 ~~(3r)~~, (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and (14) (a) to (f), (j) and (k), 77.52 (1b), (4), (6), (13), (14), and (18), 77.53 (1b), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the vehicle is rented.

Amend sec. 77.9964(2) as follows:

(2) Except as provided in s. 77.9961 (1) (b), (d), and (e), ss. 71.738 (2m), 71.74 (1) to (3), (7), (9), and (10) to (12), 71.75 (1), (2), (6), (7), (9), and (10), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12), (14), (17), and (18), 71.82 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2., and 6., (2) (a) 1. to 3. and (b) 1. to 3., and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a), (2), (3), and (4) to (7), 71.92, and 71.93 as they apply to the taxes under ch. 71 apply to the fees under this subchapter.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0381/P1

JK:.....

jld

DOA:.....Lillethun, BB0094 - Electronic filing of tax-related documents ✓

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

in 9-24-08

do not gen

1 AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

TAXATION ✓

OTHER TAXATION ✓

Under current law, if the federal Internal Revenue Service requires taxpayers to electronically file information returns or wage statements for federal income tax purposes, the taxpayer must electronically file, with DOR, information or wage statements for state income or franchise tax purposes. Under current law, a person who fails to file an information return by its due date, or who files an incorrect or incomplete return, is subject to a \$10 penalty for each violation. ✓

Under this bill, if a person is required by DOR to file with DOR any information return or 50 or more wage statements, the return or statements must be filed electronically. A person who fails to electronically file an information return or wage statement is subject to a \$10 penalty for each violation, except that a tax preparer who fails to electronically file an individual income tax return that the tax preparer prepared is subject to a \$50 penalty for each violation. ✓

The bill also provides that a person who is required to file a return related to collecting the state rental vehicle fee or dry cleaning fee must file the return in the manner prescribed by DOR. ✓

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.80 (20) of the statutes is repealed and recreated to read:

71.80 (20) ELECTRONIC FILING. If a person is required to file 50 or more wage statements or any information return with the department, the person shall file the statements or the return electronically, by means prescribed by the department.

SECTION 2. 71.83 (1) (a) 1m. of the statutes is amended to read:

71.83 (1) (a) 1m. 'Failure to file information return.' If a person fails to file a return required under subch. XI by the prescribed due date, including any extension, or files an incorrect or incomplete return, or fails to electronically file a statement or return as provided under s. 71.80 (20), that person may be subject to a penalty of \$10 for each violation. A penalty shall be waived if the person shows that a violation is due to reasonable cause and not due to willful neglect.

History: 1987 a. 312; 1989 a. 31, 90; 1991 a. 39, 190, 269, 315; 1993 a. 16, 112, 213; 1995 a. 428, 453; 1997 a. 27, 237, 283, 323; 1999 a. 32; 2001 a. 109; 2007 a. 20.

SECTION 3. 71.83 (1) (a) 9. of the statutes is created to read:

71.83 (1) (a) 9. 'Failure to electronically file an individual income tax return.' If any tax return preparer or tax preparation entity that the department requires, by rule, to electronically file individual income tax returns prepared by the preparer or entity fails to electronically file one or more returns, the tax return preparer or tax preparation entity is subject to a \$50 penalty for each return that is not electronically filed, as provided under this subdivision. The department shall waive a penalty imposed under this subdivision if the tax return preparer or tax preparation entity shows the department that the violation results from a reasonable cause and not willful neglect.

又

1 **SECTION 4.** 77.9951 (2) of the statutes is amended to read:

2 77.9951 (2) Sections 77.51 (3r), (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and
3 (14) (a) to (f), (j) and (k), 77.52 (1b), (4), (6), (13), (14), and (18), 77.53 (1b), 77.58 (1
4 to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they
5 apply to the taxes under subch. III, apply to the fee under this subchapter. The renter
6 shall collect the fee under this subchapter from the person to whom the vehicle is
7 rented.

✓

8 **SECTION 5.** 77.9964 (2) of the statutes is amended to read:

9 77.9964 (2) Except as provided in s. 77.9961 (1) (b), (d), and (e), ss. 71.738 (2m),
10 71.74 (1) to (3), (7), (9), and (10) to (12), 71.75 (1), (2), (6), (7), (9), and (10), 71.77 (1)
11 and (4) to (8), 71.78 (1) to (4) and (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12),
12 (14), (17), and (18), 71.82 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2.,
13 and 6., (2) (a) 1. to 3. and (b) 1. to 3., and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a),
14 (2), (3), and (4) to (7), 71.92, and 71.93 as they apply to the taxes under ch. 71 apply
15 to the fees under this subchapter.

✓

16 **SECTION 9343. Initial applicability; Revenue.**

(1) ELECTRONIC FILING. The treatment of sections 71.80 (20), 71.83 (1) (a) 1m. and 9., 77.9951 (2), and 77.9964 (2) of the statutes first applies to taxable years beginning on January 1, 2010.

20 (END)

2009-11 LRB Draft Review

Date: October 8, 2008

LRB Number: 0381/P1

Reviewed by: Dale Kleven

Brief Description of LRB Draft:

Creates provisions to:

- provide the authority to mandate e-filing of rental vehicle fee and dry cleaning facility fee returns;
- reduce the e-file mandate threshold for wage statements and information returns from 250 to 50 and provide a \$10 penalty for noncompliance; and
- provide a \$50 penalty for tax preparers who do not follow the existing mandate to e-file their client's individual income tax returns.

Comments on Draft:

Indicate whether draft will accomplish intent, or if not, why not

The intent of sec. 71.80(20) as recreated is to require electronic filing of any one type of information return if 50 or more of that type of information return is required to be filed with the department. The draft does not accomplish this intent.

The intent of the proposal is that its provisions take effect on January 1, 2010. The draft does not accomplish this intent.

Changes Needed & Why:

Include page and line references if appropriate. Example: page 2, line 4-5 – omit the phrase “with respect to a product under s.77.51 (3) (a)...” and replace with the phrase “all products used in a manner consistent with...”

Page 1, line 3 – insert the phrase “50 or more of” after the word “or.”

Page 1, line 4 – replace the word “return” with the word “returns.”

Page 2, lines 18 and 19 – replace the phrase “first applies to taxable years beginning on” with the phrase “takes effect on.”

These changes are needed to accomplish intent, as explained above.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0381/P1

JKjld:md

RM mtr

DOA:.....Lillethun, BB0094 - Electronic filing of tax-related documents

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

in 11-12-08

x
1 AN ACT ...; relating to: the budget. ✓
don't gen

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

Under current law, if the federal Internal Revenue Service requires taxpayers to electronically file information returns or wage statements for federal income tax purposes, the taxpayer must electronically file, with DOR, information or wage statements for state income or franchise tax purposes. Under current law, a person who fails to file an information return by its due date, or who files an incorrect or incomplete return, is subject to a \$10 penalty for each violation.

*
* Under this bill, if a person is required by DOR to file with DOR any information return or 50 or more wage statements, the return or statements must be filed electronically. A person who fails to electronically file an information return or wage statement is subject to a \$10 penalty for each violation, except that a tax preparer who fails to electronically file an individual income tax return that the tax preparer prepared is subject to a \$50 penalty for each violation.

The bill also provides that a person who is required to file a return related to collecting the state rental vehicle fee or dry cleaning fee must file the return in the manner prescribed by DOR.

50 or more ✓
For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.80 (20) of the statutes is repealed and recreated to read:

2 71.80 (20) ELECTRONIC FILING. If a person is required to file 50 or more wage
3 statements or any information return with the department, the person shall file the
4 statements or the return electronically, by means prescribed by the department.

5 **SECTION 2.** 71.83 (1) (a) 1m. of the statutes is amended to read:

6 71.83 (1) (a) 1m. 'Failure to file information return.' If a person fails to file a
7 return required under subch. XI by the prescribed due date, including any extension,
8 ~~or~~ files an incorrect or incomplete return, or fails to electronically file a statement or
9 return as provided under s. 71.80 (20), that person may be subject to a penalty of \$10
10 for each violation. A penalty shall be waived if the person shows that a violation is
11 due to reasonable cause and not due to willful neglect.

12 **SECTION 3.** 71.83 (1) (a) 9. of the statutes is created to read:

13 71.83 (1) (a) 9. 'Failure to electronically file an individual income tax return.'
14 If any tax return preparer or tax preparation entity that the department requires,
15 by rule, to electronically file individual income tax returns prepared by the preparer
16 or entity fails to electronically file one or more returns, the tax return preparer or tax
17 preparation entity is subject to a \$50 penalty for each return that is not electronically
18 filed, as provided under this subdivision. The department shall waive a penalty
19 imposed under this subdivision if the tax return preparer or tax preparation entity
20 shows the department that the violation results from a reasonable cause and not
21 willful neglect.

SECTION 4. 77.9951 (2) of the statutes is amended to read:

77.9951 (2) Sections 77.51 (3r) (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and (14) (a) to (f), (j) and (k), 77.52 (1b), (4), (6), (13), (14), and (18), 77.53 (1b), 77.58 (1) to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they apply to the taxes under subch. III, apply to the fee under this subchapter. The renter shall collect the fee under this subchapter from the person to whom the vehicle is rented.

SECTION 5. 77.9964 (2) of the statutes is amended to read:

77.9964 (2) Except as provided in s. 77.9961 (1) (b), (d), and (e), ss. 71.738 (2m), 71.74 (1) to (3), (7), (9), and (10) to (12), 71.75 (1), (2), (6), (7), (9), and (10), 71.77 (1) and (4) to (8), 71.78 (1) to (4) and (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12), (14), (17), and (18), 71.82 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2., and 6., (2) (a) 1. to 3. and (b) 1. to 3., and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a), (2), (3), and (4) to (7), 71.92, and 71.93 as they apply to the taxes under ch. 71 apply to the fees under this subchapter.

SECTION 9343. Initial applicability; Revenue.

➡ (1) **ELECTRONIC FILING.** The treatment of sections 71.80 (20), 71.83 (1) (a) 1m. and 9., 77.9951 (2), and 77.9964 (2) of the statutes first applies to taxable years beginning on January 1, 2010.

(END)

~~Takes~~
Takes effect

2009-11 LRB Draft Review

Date: November 19, 2008

LRB Number: 0381/P2

Reviewed by: Dale Kleven

Brief Description of LRB Draft:

Creates provisions to:

- provide the authority to mandate e-filing of rental vehicle fee and dry cleaning facility fee returns;
- reduce the e-file mandate threshold for wage statements and information returns from 250 to 50 and provide a \$10 penalty for noncompliance; and
- provide a \$50 penalty for tax preparers who do not follow the existing mandate to e-file their client's individual income tax returns.

Comments on Draft:

Indicate whether draft will accomplish intent, or if not, why not

The intent of sec. 71.80(20) as recreated is to require electronic filing of any one type of information return if 50 or more of that type of information return is required to be filed with the department.

For example, a person is required to file 70 Forms 1099-MISC and 20 Forms 1099-R. The intent of sec. 71.80(20) as recreated is to require the Forms 1099-MISC to be filed electronically, but not the Forms 1099-R.

Minor changes are needed for the draft to accomplish this intent.

Changes Needed & Why:

Include page and line references if appropriate. Example: page 2, line 4-5 – omit the phrase “with respect to a product under s.77.51 (3) (a)...” and replace with the phrase “all products used in a manner consistent with...”

Page 2, line 3 – insert the phrase “of any one type of” after the word “more.”

Page 2, line 3 – replace the word “returns” with the word “return.”

These changes are needed to accomplish intent, as explained above.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0381/P2

JK:jld:jf

PM not R

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Under this bill, if a person is required by DOR to file with DOR 50 or more information ~~returns~~ or 50 or more wage statements, the returns or statements must be filed electronically. A person who fails to electronically file an information return or wage statement is subject to a \$10 penalty for each violation, except that a tax preparer who fails to electronically file an individual income tax return that the tax preparer prepared is subject to a \$50 penalty for each violation.

The bill also provides that a person who is required to file a return related to collecting the state rental vehicle fee or dry cleaning fee must file the return in the manner prescribed by DOR.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

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71.80 (20) ELECTRONIC FILING. If a person is required to file 50 or more wage statements or 50 or more information *returns* *return* ✓ with the department, the person shall file the statements or the returns electronically, by means prescribed by the department.

SECTION 2. 71.83 (1) (a) 1m. of the statutes is amended to read:

71.83 (1) (a) 1m. 'Failure to file information return.' If a person fails to file a return required under subch. XI by the prescribed due date, including any extension, ~~or~~ files an incorrect or incomplete return, or fails to electronically file a statement or return as provided under s. 71.80 (20), that person may be subject to a penalty of \$10 for each violation. A penalty shall be waived if the person shows that a violation is due to reasonable cause and not due to willful neglect.

SECTION 3. 71.83 (1) (a) 9. of the statutes is created to read:

71.83 (1) (a) 9. 'Failure to electronically file an individual income tax return.' If any tax return preparer or tax preparation entity that the department requires, by rule, to electronically file individual income tax returns prepared by the preparer or entity fails to electronically file one or more returns, the tax return preparer or tax preparation entity is subject to a \$50 penalty for each return that is not electronically filed, as provided under this subdivision. The department shall waive a penalty imposed under this subdivision if the tax return preparer or tax preparation entity

1 shows the department that the violation results from a reasonable cause and not
2 willful neglect.

3 **SECTION 4.** 77.9951 (2) of the statutes is amended to read:

4 77.9951 (2) Sections 77.51 (3r), (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and
5 (14) (a) to (f), (j) and (k), 77.52 (1b), (4), (6), (13), (14), and (18), 77.53 (1b), 77.58 (1)
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13 and (4) to (8), 71.78 (1) to (4) and (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12),
14 (14), (17), and (18), 71.82 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2.,
15 and 6., (2) (a) 1. to 3. and (b) 1. to 3., and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a),
16 (2), (3), and (4) to (7), 71.92, and 71.93 as they apply to the taxes under ch. 71 apply
17 to the fees under this subchapter.

18 **SECTION 9443. Effective dates; Revenue**

19 (1) ELECTRONIC FILING. The treatment of sections 71.80 (20), 71.83 (1) (a) 1m.
20 and 9., 77.9951 (2), and 77.9964 (2) of the statutes takes effect on January 1, 2010.

21 (END)



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-0381/P3

JK:jld:ph

DOA:.....Lillethun, BB0094 - Electronic filing of tax-related documents

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

Under current law, if the federal Internal Revenue Service requires taxpayers to electronically file information returns or wage statements for federal income tax purposes, the taxpayer must electronically file, with DOR, information or wage statements for state income or franchise tax purposes. Under current law, a person who fails to file an information return by its due date, or who files an incorrect or incomplete return, is subject to a \$10 penalty for each violation.

Under this bill, if a person is required by DOR to file with DOR 50 or more of any one type of information return or 50 or more wage statements, the returns or statements must be filed electronically. A person who fails to electronically file an information return or wage statement is subject to a \$10 penalty for each violation, except that a tax preparer who fails to electronically file an individual income tax return that the tax preparer prepared is subject to a \$50 penalty for each violation.

The bill also provides that a person who is required to file a return related to collecting the state rental vehicle fee or dry cleaning fee must file the return in the manner prescribed by DOR.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.80 (20) of the statutes is repealed and recreated to read:

2 **71.80 (20) ELECTRONIC FILING.** If a person is required to file 50 or more wage
3 statements or 50 or more of any one type of information return with the department,
4 the person shall file the statements or the returns electronically, by means prescribed
5 by the department.

6 **SECTION 2.** 71.83 (1) (a) 1m. of the statutes is amended to read:

7 **71.83 (1) (a) 1m. 'Failure to file information return.'** If a person fails to file a
8 return required under subch. XI by the prescribed due date, including any extension,
9 ~~or files an incorrect or incomplete return, or fails to electronically file a statement or~~
10 return as provided under s. 71.80 (20), that person may be subject to a penalty of \$10
11 for each violation. A penalty shall be waived if the person shows that a violation is
12 due to reasonable cause and not due to willful neglect.

13 **SECTION 3.** 71.83 (1) (a) 9. of the statutes is created to read:

14 **71.83 (1) (a) 9. 'Failure to electronically file an individual income tax return.'**
15 If any tax return preparer or tax preparation entity that the department requires,
16 by rule, to electronically file individual income tax returns prepared by the preparer
17 or entity fails to electronically file one or more returns, the tax return preparer or tax
18 preparation entity is subject to a \$50 penalty for each return that is not electronically
19 filed, as provided under this subdivision. The department shall waive a penalty
20 imposed under this subdivision if the tax return preparer or tax preparation entity

1 shows the department that the violation results from a reasonable cause and not
2 willful neglect.

3 **SECTION 4.** 77.9951 (2) of the statutes is amended to read:

4 77.9951 (2) Sections 77.51 (3r), (4) (a), (b) 1., 2., and 4., (c) 1. to 3. and (d) and
5 (14) (a) to (f), (j) and (k), 77.52 (1b), (4), (6), (13), (14), and (18), 77.53 (1b), 77.58 (1)
6 to (5) and (7), 77.59, 77.60, 77.61 (2), (5), (8), (9), and (12) to (14), and 77.62, as they
7 apply to the taxes under subch. III, apply to the fee under this subchapter. The renter
8 shall collect the fee under this subchapter from the person to whom the vehicle is
9 rented.

10 **SECTION 5.** 77.9964 (2) of the statutes is amended to read:

11 77.9964 (2) Except as provided in s. 77.9961 (1) (b), (d), and (e), ss. 71.738 (2m),
12 71.74 (1) to (3), (7), (9), and (10) to (12), 71.75 (1), (2), (6), (7), (9), and (10), 71.77 (1)
13 and (4) to (8), 71.78 (1) to (4) and (5) to (8), 71.80 (1) (a) and (b), (4) to (6), (8) to (12),
14 (14), (17), and (18), 71.82 (1) and (2) (a) and (b), 71.83 (1) (a) 1. and 2. and (b) 1., 2.,
15 and 6., (2) (a) 1. to 3. and (b) 1. to 3., and (3), 71.87, 71.88, 71.89, 71.90, 71.91 (1) (a),
16 (2), (3), and (4) to (7), 71.92, and 71.93 as they apply to the taxes under ch. 71 apply
17 to the fees under this subchapter.

18 **SECTION 9443. Effective dates; Revenue**

19 (1) ELECTRONIC FILING. The treatment of sections 71.80 (20), 71.83 (1) (a) 1m.
20 and 9., 77.9951 (2), and 77.9964 (2) of the statutes takes effect on January 1, 2010.

21 (END)